



FOR IMMEDIATE RELEASE

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## MAYOR JERRY SANDERS FACT SHEET

### **MAYOR FOCUSES ON JOB CREATION, SOLVING CITY'S STRUCTURAL DEFICIT IN ANNUAL ADDRESS**

*Progress on reform includes 'model' pension system, shrinking operating costs*

In his fifth annual State of the City Address tonight at the Balboa Theatre, Mayor Jerry Sanders welcomed a new decade for San Diego, citing steady progress on reform initiatives, such as a new pension system, and laying out his long-term vision for the city's economic recovery.

Despite the nation's severe economic recession, San Diego is poised to become the nation's hub for the clean technology industry, Sanders said. The city is working to promote the industry's success through programs such as the Clean Generation program, which will finance solar panels and energy-efficiency home retrofits for citizens -- and will create green jobs locally.

"These are well-paying jobs that will only become more essential as the world seeks out non-polluting and efficient energy," Sanders said. "Clean technology is the future, and it is happening here."

He noted that traditional employment sectors are also getting a boost from city initiatives, including the proposed Convention Center expansion as well as new program to generate opportunities for small construction contractors.

The City Council on Monday approved the mayor's comprehensive program to encourage bids by small contractors through such measures as breaking up large contracts into smaller parts and providing technical assistance and bid advantages to small local businesses.

For San Diego, the mayor said, a so-called "jobless recovery" simply won't do.

"When future generations think back on this time, I want them to remember that we didn't sit on our hands waiting for job growth to catch up with the economy, but that we invested our time and talent to create jobs and build prosperity," Sanders said.

## **Progress on Reform**

Reminding San Diegans how far San Diego has come since earning the inglorious nickname of “Enron by the Sea,” the mayor celebrated a major milestone the city marked in 2009: the implementation of a new, hybrid pension system that serves as a model for other governments eyeing pension reform.

The new system requires greater contributions to the system by employees; eliminates costly perks such as basing benefits on the single highest year of pay; lowers the maximum percentage of pay for long-term employees by nearly 30 percent; and significantly reduces the city’s exposure to investment losses. If all general members were covered under this new plan today, taxpayers would save more than \$20 million per year.

“This legacy to future generations will establish more than a retirement system the public can trust,” Sanders said. “It will guarantee future budgets whose priority is public safety and services.”

He cited continued progress in reducing the cost of government, including his decision last year to bid out the city’s information technology services after a 30-year monopoly by the San Diego Data Processing Corp.

Sanders is expected to announce the winner of the first phase of the bid – and the savings it will generate – in a news conference tomorrow.

## **Solving the Structural Deficit**

A large portion of the speech focused on the budget and continued commitment to solving the city’s structural deficit. He noted that the city has shed tens of millions of dollars from its budget and reduced the budgeted workforce by more than 1,000 positions.

The mayor praised the City Council for its courage in unanimously voting to cut employee compensation across the board last May to protect services for the public, and for addressing next year’s budget deficit six months early, preventing far deeper cuts.

“Confronted with wave after wave of grim economic news, this City Council has faced the truth about our challenges and made decisions even when they are unpopular or difficult,” Sanders said.

In passing the 18-month budget, Sanders said he and the City Council agreed to use the time to develop a comprehensive solution to solve the structural deficit – the difference between the public’s expectation of services and the revenues needed to sustain those service levels. He reminded the public that simplistic arguments for bankruptcy or illegal pension take-backs created the false hope of easy answers.

“This structural deficit ... was allowed to grow for decades. It has deep roots,” Sanders said. “The notion that it can be toppled with one stroke may be alluring, but we will not be so foolish as to exchange one untenable plan for another.”

## **Investing in San Diego's Future**

Speaking about the major projects on the city's drawing boards right now, the mayor reiterated that his support for the new Central Library and Civic Center redevelopment were contingent on not using General Fund services such as public safety, parks and branch libraries.

Sanders noted that he supports seeking a local home for the Chargers, but that any deal involving the city must be good for taxpayers and will be subject to a public vote.

"I believe the Chargers are San Diego's team, and that they belong right here in San Diego County," he said. "I also know that I was elected mayor to protect the taxpayer and restore our fiscal integrity. My priorities have not changed, and I'm not about to squander four years of hard work and achievement by letting our city make a bad deal."

Acknowledging San Diegans' uncertainty in this difficult time, the mayor's speech put those challenges in perspective by noting accomplishments made a century ago when the city was at a crossroads. This year, the city celebrates the centennial of the San Diego Symphony, the landmark U.S. Grant Hotel, and the naming of Balboa Park.

"Great cities like ours are home to thousands of viewpoints, but they're shaped by the people who put community before self, and who act even in the face of adversity," he said. "It is through accomplishments that can endure the test of time that we feed the optimism and sense of community that are indispensable components of progress."

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